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Agenda item 119

Review of the efficiency of the administrative and financial functioning of the United Nations

Report of the Fifth Committee

Rapporteur: Mr. Fouad **Rajeh** (Saudi Arabia)

I. Introduction

1. At its 2nd plenary meeting, on 19 September 2003, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-eighth session the item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 2nd, 3rd, 8th, 9th, 22nd and 26th meetings, on 7, 8, 23 and 24 October, 26 November and 10 December 2003. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/58/SR.2, 3, 8, 9, 22 and 26).

3. For its consideration of the item, the Committee had before it the following documents:

Outsourcing practices

(a) Report of the Secretary-General on outsourcing practices (A/57/185);

(b) Reports of the Advisory Committee on Administrative and Budgetary Questions (A/57/7/Add.1 and A/57/453 and Corr.1);

(c) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes (A/58/92) and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/58/92/Add.1);

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(d) Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/389);

Common and joint services of United Nations system organizations at Vienna

(e) Notes by the Secretary-General transmitting the report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna (A/58/258) and his comments and those of the United Nations System Chief Executives Board for Coordination thereon (A/58/258/Add.1);

(f) Report of the Advisory Committee on Administrative and Budgetary Questions (A/58/389);

Reports of the Office of Internal Oversight Services

(g) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund (A/58/81);

(h) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures (A/58/211).

II. Consideration of proposals

A. Draft resolution A/C.5/58/L.4

4. At the 9th meeting, on 24 October, the representative of South Africa, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Outsourcing practices" (A/C.5/58/L.4).

5. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.4 without a vote (see para. 14, draft resolution I).

B. Draft resolution A/C.5/58/L.5

6. At the 9th meeting, on 24 October, the representative of South Africa, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes" (A/C.5/58/L.5).

7. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.5 without a vote (see para. 14, draft resolution II).

C. Draft resolution A/C.5/58/L.6

8. At the 9th meeting, on 24 October, the representative of Nigeria, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Report of the Joint Inspection Unit on

common and joint services of United Nations system organizations at Vienna" (A/C.5/58/L.6).

9. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.6 without a vote (see para. 14, draft resolution III).

D. Draft resolution A/C.5/58/L.11

10. At the 22nd meeting, on 26 November, the representative of Ireland, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund" (A/C.5/58/L.11).

11. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.11 without a vote (see para. 14, draft resolution IV).

E. Draft resolution A/C.5/58/L.32

12. At the 26th meeting, on 10 December, the Committee had before it a draft resolution entitled "Review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures" (A/C.5/58/L.32), which was submitted by the representative of Venezuela, Vice-Chairman of the Committee, on the basis of informal consultations.

13. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.32 without a vote (see para. 14, draft resolution V).

III. Recommendations of the Fifth Committee

14. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Outsourcing practices

The General Assembly,

Recalling its resolutions 54/256 of 7 April 2000 and 55/232 of 23 December 2000,

Having considered the report of the Secretary-General on outsourcing practices[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

1. *Takes note* of the report of the Secretary-General;[1]

2. *Endorses* the recommendations contained in paragraphs 10 and 11 of the report of the Advisory Committee on Administrative and Budgetary Questions;[2]

3. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session on the implementation of the provisions of its resolution 55/232 and on activities outsourced during the years 2002 and 2003, including information on the location and type of outsourced activities and more detailed reasoning therefor.

[1] A/57/185.

[2] See A/57/7/Add.1, paras. 10 and 11.

Draft resolution II
Report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes

The General Assembly,

Reaffirming its previous resolutions on the Joint Inspection Unit, in particular resolutions 50/233 of 7 June 1996, 54/16 of 29 October 1999, 55/230 of 23 December 2000, 56/245 of 24 December 2001 and 57/284 of 20 December 2002,

Also reaffirming its resolutions 54/256 of 7 April 2000 and 55/232 of 23 December 2000 on outsourcing practices,

Having considered the report of the Joint Inspection Unit on the management audit review of outsourcing in the United Nations and the United Nations funds and programmes,[1] the comments of the Secretary-General[2] thereon and paragraphs 5 to 7 and 9 of the report of the Advisory Committee on Administrative and Budgetary Questions,[3]

1. *Takes note* of recommendation 1 of the Joint Inspection Unit;[1]

2. *Also takes note* of recommendation 2 of the Unit and the related comments of the Secretary-General;[2]

3. *Endorses* recommendation 3 (a) of the Unit;

4. *Takes note* of recommendations 4 and 5 of the Unit, as well as of the related comments of the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions;[3]

5. *Requests* the Secretary-General to ensure that contractors whose staff are present on the United Nations premises on a regular basis are held accountable for conducting individual background checks at their own expense;

6. *Endorses* recommendations 7 to 9 of the Unit;

7. *Requests* the Secretary-General to share the experience of the Procurement Division of the Office of Central Support Services of the Secretariat in the use of its new formats for monitoring, evaluating and certifying supplier performance under outsourced contracts with the members of the Inter-Agency Procurement Working Group and to report to the General Assembly thereon in the context of his next report on outsourcing practices.

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[1] See A/58/92.
[2] A/58/92/Add.1.
[3] A/58/389.

Draft resolution III
Report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna

The General Assembly,

Having considered the report of the Joint Inspection Unit on common and joint services of United Nations system organizations at Vienna,[1] the comments of the Secretary-General and the United Nations System Chief Executives Board for Coordination thereon[2] and the related comments of the Advisory Committee on Administrative and Budgetary Questions,[3]

1. *Welcomes* the comprehensive and timely preparation of the report of the Joint Inspection Unit;[1]

2. *Decides* to revert to the consideration of the report of the Joint Inspection Unit and the comments of the Secretary-General and the United Nations System Chief Executives Board for Coordination thereon[2] upon the issuance of the related report of the Advisory Committee on Administrative and Budgetary Questions at its fifty-ninth session.

[1] See A/58/258.
[2] A/58/258/Add.1.
[3] A/58/389, paras. 8 and 9.

Draft resolution IV
Report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund

The General Assembly,

Recalling its resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999,

Having considered the report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund,[1]

1. *Takes note* of the report of the Office of Internal Oversight Services on the audit of the Investment Management Service of the United Nations Joint Staff Pension Fund;[1]

2. *Notes with concern* the findings of the Office of Internal Oversight Services on problem areas in the functioning, administration and accountability mechanisms of the Investment Management Service;

3. *Requests* the Secretary-General to ensure that all the recommendations of the Office of Internal Oversight Services contained in the report are fully and expeditiously implemented and to submit a report thereon at its resumed fifty-eighth session.

[1] See A/58/81.

Draft resolution V
Review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures

The General Assembly,

Recalling its resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999 and 56/253 of 24 December 2001,

Having considered the report of the Office of Internal Oversight Services on the review of duplication, complexity and bureaucracy in United Nations administrative processes and procedures,[1]

Takes note of the report of the Office of Internal Oversight Services.[1]

[1] See A/58/211.